

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1138
ANSWERED ON:07.03.2002
ACQUIRING OF IBP BY IOCL
DR. KIRIT SOMAIYA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) Whether his Ministry has studied the offer of IOCL to acquire IBP;
- (b) if so, the details thereof with reasons behind paying such a high price;
- (c) Whether IOCL has studied the changed shareholding pattern during January 1, 2002 to February 7, 2002 in IBP to mobilize maximum profit by major manipulators, investors due to the open offer;
- (d) If so, the details thereof;
- (e) Whether there are chances of competitor bidder's simultaneously gathering IBP shares from the market in the name of front companies has been studied;
- (f) If so, whether data will be collected from SEBI, NSDL, IBP, BSE, NSE to check the misuse of open offer clause;
- (g) If so, whether IOCL propose to take care that maximum benefit of open offer be given to small investors; and
- (h) if so, the details thereof?

Answer

MINISTER OF STATE FOR PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

- (a) to (d) The offer of IOCL was based on commercial considerations taking into account the need to strengthen IOCL's future competitiveness, among other relevant factors. It was not possible to foresee at the time of bidding any possible changes in future in shareholding pattern, or possible manipulations, because of the open offer to be made by IOCL.
- (e) & (f) Securities and Exchange Board of India (SEBI) looks into the cases of misuse of open offer clause under its regulations.
- (g) Open offer by IOCL is required to be in accordance with the SEBI regulations and guidelines and without discretion or favour to a particular class of investors which may be in violation of the regulations.
- (h) Does not arise.